

FISCAL NOTE

SB 1421 - HB 1372

March 13, 2007

SUMMARY OF BILL: Requires the State Insurance Committee to set deductibles, to be paid by state employees participating in the basic insurance plan, on a sliding scale based on employee salaries. Requires the committee to set such deductibles in a revenue neutral manner.

ESTIMATED FISCAL IMPACT:

State Expenditures – Net Impact – Not Significant

Assumptions:

- According to the Division of Insurance (DOI) within the Department of Finance and Administration (F&A), the only state plan with a deductible is the PPO plan. The other state plans are co-pay plans and have no deductibles (POS plan and HMO plan).
- According to DOI, this legislation excludes two other public sector plans: the Local Education Plan and the Local Government Plan.
- Given the revenue neutral provision of this legislation, the net impact to state expenditures is not expected to be significant.
- According to DOI, the state is currently replacing business software, including the Tennessee Insurance System (TIS), which is an eligibility, enrollment and premium collection tool used by the Division. Its replacement is configured to replicate the business rules that are currently employed in the state sponsored plans. Changing the business rules may impact the ability of the state to properly report eligibility categories to plan administrators.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director